

N. PONTIAC

1. OVERVIEW

City Location & History

Pontiac is located on the Clinton River, 31.0 miles north of Detroit in the southeast region of Michigan's lower peninsula. It was settled in 1818, became the seat of Oakland County in 1820, and was incorporated as a city in 1861. In the mid 19th century, farming was the preferred economy over lumbering. Pontiac was selected for woolen and gristmills due to the Clinton River's power source. By 1844, the city's success was assured when the railroad arrived. The city developed as a center for wagon and carriage making in the 1880s, and what began as the Pontiac Spring Wagon Works is now General Motors (GM). By 1909, General Motors purchased several small automakers as Pontiac became a GM town. Today, General Motors' impact on the city has diminished, and Pontiac has sought to diversify its business base under the auspices of the Pontiac Growth Group, a consortium of local economic planning agencies.

Pontiac is located west of the intersection of Interstate 75 (Detroit southeast and Flint northwest) and State Highway 59 (connecting I-75 with U.S. Highway 23 east-west). In 2007 it was estimated that Pontiac had 66,082 people living in 24,643 households within 19.9 square miles.

Downtown Study Area Delineation & Boundaries

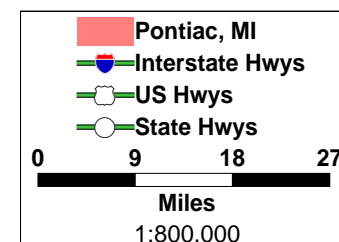
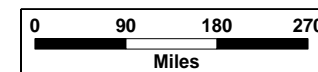
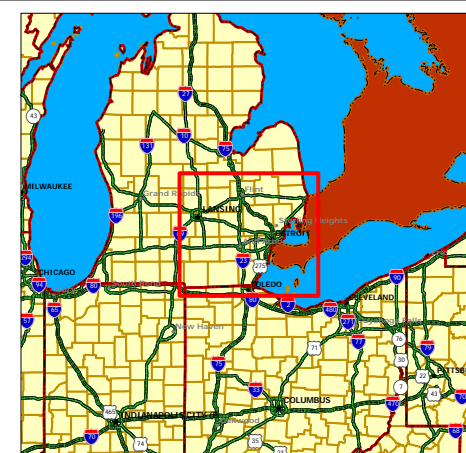
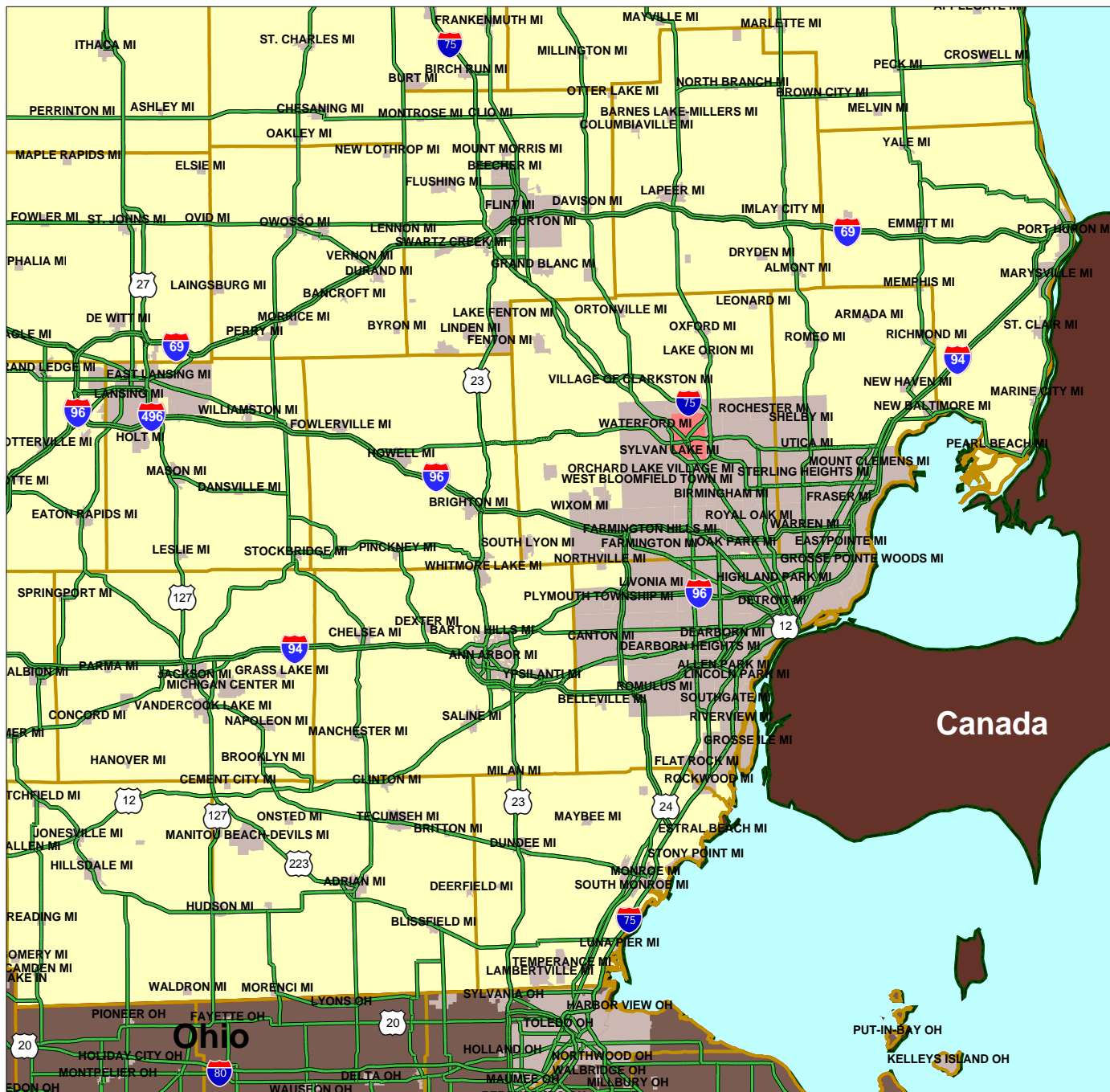
The Pontiac Downtown Study Area (DSA) was established after a driving tour of the inner city and consultation with city officials. The following four factors influenced the final delineation: (1) exclusion of single-family neighborhoods, (2) inclusion of the Central Business District, (3) general adherence to downtown development authority boundaries, and (4) recognition of significant natural and man-made barriers. For this study, the Pontiac DSA is generally described as follows:

- North boundary: Clark Street
- East boundary: Seneca / Union / Hill / Center / Hoyer streets
- South boundary: Rapid Street
- West boundary: Railroad Tracks

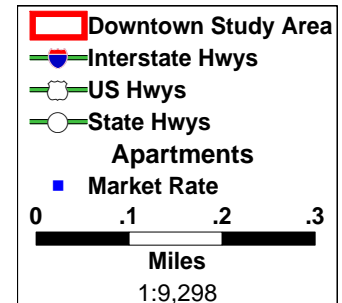
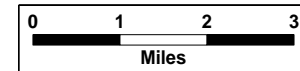
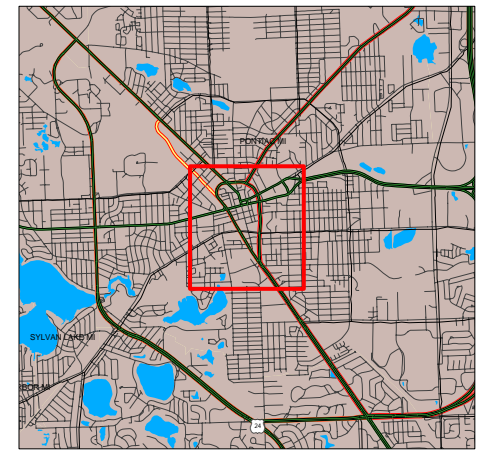
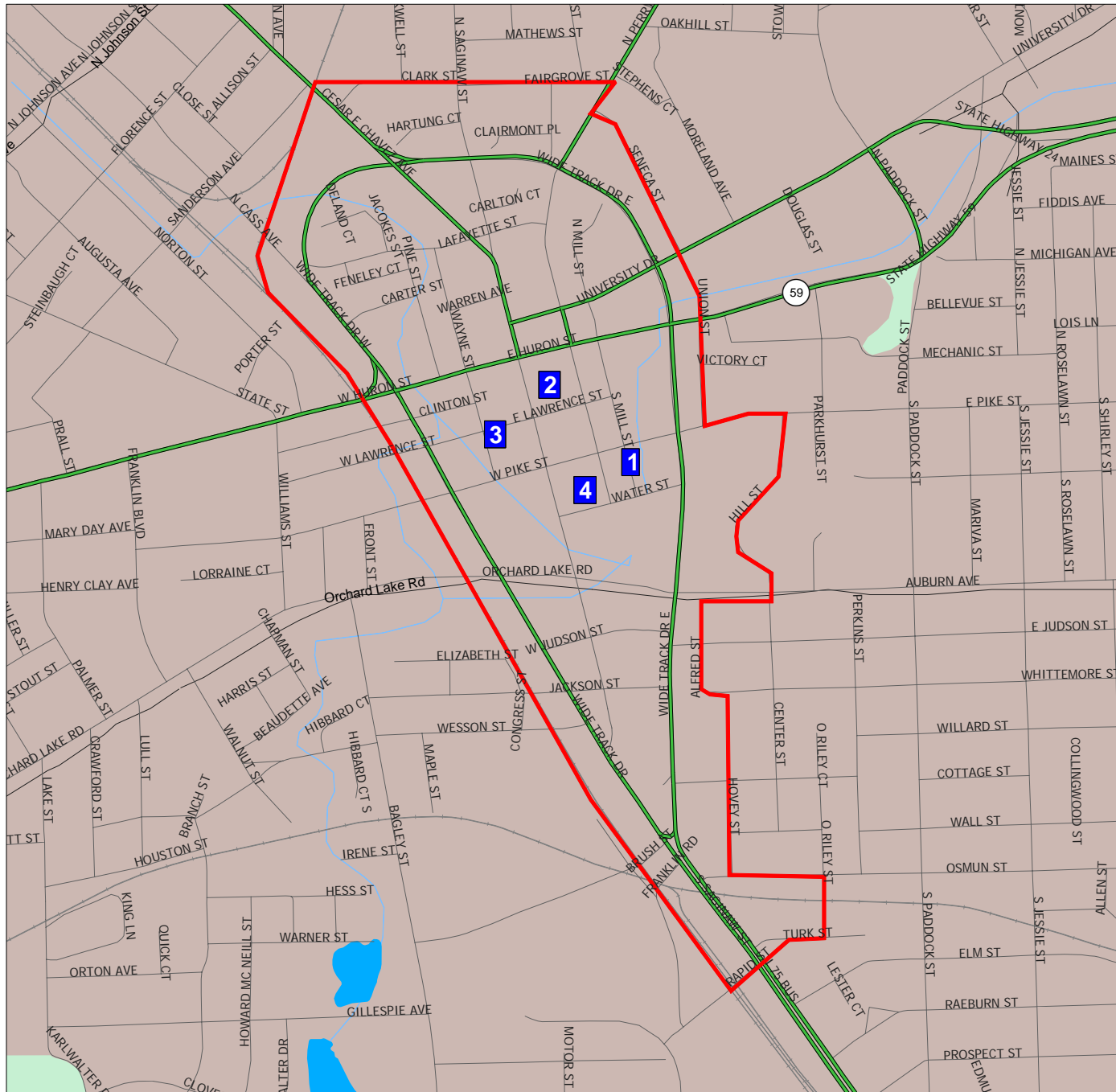
The geographic center of the DSA is the intersection of Saginaw Street and Pike Street.

A regional map showing the location of the city within the state and a map delineating the specific boundaries of the DSA follow. On this DSA map, we have shown the location of each multi-unit property (both rental and condominium) surveyed within the Pontiac DSA. Map I.D. numbers for surveyed properties are identified in the Multi-Unit Housing Supply Analysis later in this section.

Pontiac, MI: Surrounding Region



Pontiac, MI: DSA Boundary with Surveyed Properties



VWB
vogtwilliamsbowen
RESEARCH

2007 Demographic Snapshot (Estimated from 2000 Census)

The following table provides a brief demographic snapshot of key population and household characteristics for the Pontiac DSA and the remainder of the city:

	2007 ESTIMATE	
	DOWNTOWN STUDY AREA	REMAINDER OF PONTIAC
POPULATION		
NUMBER	1,165	64,917
MEDIAN AGE	34.0	32.8
GENDER		
PERCENT MALE	54.4%	48.9%
PERCENT FEMALE	45.6%	51.1%
EDUCATION (AGE 25+)		
PERCENT HIGH SCHOOL EDUCATED	77.4%	63.2%
PERCENT COLLEGE EDUCATED	22.6%	36.8%
MARTIAL STATUS (AGE 15+)		
PERCENT SINGLE	68.2%	59.5%
PERCENT MARRIED	31.8%	40.5%
HOUSEHOLDS		
NUMBER	481	24,162
PRESENCE OF CHILDREN		
PERCENT WITH CHILDREN	33.9%	46.1%
PERCENT WITHOUT CHILDREN	66.1%	53.9%
AVERAGE SIZE	2.4	2.6
TENURE		
PERCENT OWNER	18.9%	53.1%
PERCENT RENTER	81.1%	46.9%
MEDIAN INCOME	\$17,131	\$34,697

Source: 2000 Census; Claritas, Inc.

The above data and more detailed demographic information are analyzed in the following section.

2. DEMOGRAPHICS

The following information has been compiled from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the FBI. It has been grouped into five categories for analysis: (1) population characteristics - descriptors for individual people, (2) household characteristics - descriptors for people living together in one residence, (3) housing characteristics - descriptors for residential dwelling units, (4) crime and transportation - descriptors for crime rates and transit/commuting activities, and (5) economic and employment indicators - descriptors for business and employment activity. This information is provided for expanding geographic areas: (1) the Downtown Study Area (DSA), (2) the remainder of the DSA's city, and (3) the state of Michigan.

Population Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF PONTIAC	STATE OF MICHIGAN
POPULATION			
1990 CENSUS	1,296	69,840	9,295,297
2000 CENSUS	1,232	65,105	9,938,444
2007 ESTIMATED	1,165	64,917	10,159,688
2012 PROJECTED	1,144	64,635	10,268,116
PERCENT CHANGE 1990 TO 2000	-4.9%	-6.8%	6.9%
PERCENT CHANGE 2000 TO 2007	-5.4%	-0.3%	2.2%
PERCENT CHANGE 2007 TO 2012	-1.8%	-0.4%	1.1%
POPULATION BY AGE 2007			
PERCENT AGE LESS THAN 18 (CHILDREN)	29.0%	29.9%	24.5%
PERCENT AGE 18 TO 34 (YOUNG ADULTS)	22.7%	23.6%	22.6%
PERCENT AGE 35 TO 54 (MIDDLE-AGED ADULTS)	32.2%	28.3%	29.2%
PERCENT AGE 55 OR MORE (SENIORS)	16.1%	18.2%	23.7%
MEDIAN AGE	34.0	32.8	37.1
POPULATION BY GENDER 2007			
PERCENT MALE	54.4%	48.9%	49.2%
PERCENT FEMALE	45.6%	51.1%	50.8%
POPULATION BY EDUCATION (AGE 25+) 2007			
PERCENT HIGH SCHOOL GRADUATES OR LESS	77.4%	63.2%	47.6%
PERCENT SOME COLLEGE	15.9%	21.7%	23.4%
PERCENT COLLEGE GRADUATES OR MORE	6.7%	15.1%	29.1%
POPULATION BY MARTIAL STATUS (AGE 15+) 2007			
PERCENT NEVER MARRIED	47.5%	38.9%	27.2%
PERCENT MARRIED	31.8%	40.5%	56.3%
PERCENT WIDOWED/DIVORCED	20.7%	20.6%	16.5%
LAND AREA, POPULATION DENSITY & DAYTIME POPULATION 2007			
LAND AREA (IN SQUARE MILES)	0.4	19.5	56,803.8
PERSONS PER SQUARE MILE	2,600.4	3,321.6	178.9
DAYTIME POPULATION	4,833	45,181	5,680,903

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends from the above table for the Pontiac DSA include the following:

- The total population within the DSA decreased at a similar rate to the remainder of the city from 1990 to 2000 (4.9% versus 6.8%), while the state increased by 6.9%. The DSA population was projected to decrease at a higher rate than the remainder of the city from 2000 to 2012 (7.2% versus 0.7%), while the state's population was projected to increase 3.3% during this same 12-year period.
- In 2007 1,165 people resided within the DSA, representing only 1.8% of the city's total population.

- In 2007 the typical DSA resident profile was a 34 year old adult who was only high school educated (77.4%) and unmarried (68.2%). There were more males (54.4%) than females (45.6%). This profile is similar to the remainder of the city, but different from the state. The percentage of children under 18 years of age within the DSA was high at 29.0%, and the percentage of residents 55 years of age and older (16.1%) was below the remainder of the city (18.2%) and the state (23.7%).
- In 2007 the land area within the DSA represented 2.0% of the total area within the city limits.
- In 2007 the population density within the DSA was 1.3 times sparser than the remainder of the city.

Household Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF PONTIAC	STATE OF MICHIGAN
HOUSEHOLDS			
1990 CENSUS	546	24,217	3,419,331
2000 CENSUS	489	23,745	3,785,661
2007 ESTIMATED	481	24,162	3,936,519
2012 PROJECTED	481	24,312	4,009,481
PERCENT CHANGE 1990 TO 2000	-10.4%	-1.9%	10.7%
PERCENT CHANGE 2000 TO 2007	-1.6%	1.8%	4.0%
PERCENT CHANGE 2007 TO 2012	0.0%	0.6%	1.9%
HOUSEHOLDS BY COMPOSITION 2007			
PERCENT SINGLE	50.2%	30.1%	27.2%
PERCENT MARRIED WITH CHILDREN	11.6%	14.8%	23.5%
PERCENT MARRIED NO CHILDREN	8.3%	16.7%	28.7%
PERCENT SINGLE PARENT	22.3%	31.3%	16.0%
PERCENT OTHER	7.7%	7.1%	4.7%
AVERAGE HOUSEHOLD SIZE 2007	2.4	2.6	2.5
HOUSEHOLDS BY TENURE 2007			
PERCENT OWNER	18.9%	53.1%	74.5%
PERCENT RENTER	81.1%	46.9%	25.5%
MEDIAN HOUSEHOLD INCOME 2007	\$17,131	\$34,697	\$50,319
HOUSEHOLDS BY PRIZM NE LIFESTAGE CLASSES & GROUPS 2007*			
PERCENT YOUNGER YEARS CLASS	29.2%	32.7%	32.7%
PERCENT <i>MIDLIFE SUCCESS</i> GROUP	1.6%	7.6%	15.4%
PERCENT <i>YOUNG ACHIEVERS</i> GROUP	5.8%	7.8%	6.8%
PERCENT <i>STRIVING SINGLES</i> GROUP	21.8%	17.3%	10.5%
PERCENT FAMILY LIFE CLASS	23.9%	34.5%	30.6%
PERCENT <i>ACCUMULATED WEALTH</i> GROUP	0.0%	0.6%	4.0%
PERCENT <i>YOUNG ACCUMULATORS</i> GROUP	0.2%	7.0%	8.4%
PERCENT <i>MAINSTREAM FAMILIES</i> GROUP	2.2%	10.7%	14.7%
PERCENT <i>SUSTAINING FAMILIES</i> GROUP	21.6%	16.2%	3.6%
PERCENT MATURE YEARS CLASS	46.9%	32.8%	36.7%
PERCENT <i>AFFLUENT EMPTY NESTS</i> GROUP	0.0%	2.3%	6.1%
PERCENT <i>CONSERVATIVE CLASSICS</i> GROUP	1.1%	5.1%	10.7%
PERCENT <i>CAUTIOUS COUPLES</i> GROUP	2.7%	12.1%	11.6%
PERCENT <i>SUSTAINING SENIORS</i> GROUP	43.1%	13.2%	8.4%

Source: 2000 Census; Claritas, Inc.

*See Addendum A for Lifestage Class & Group definitions.

Noteworthy observations and trends from the above table for the Pontiac
DSA include the following:

- The total number of households within the DSA decreased at a higher rate than the remainder of the city from 1990 to 2000 (10.4% versus 1.9%), while the state increased by 10.7% during this period. From 2000 to 2012, DSA households were projected to decrease slightly by 1.6%, while the remainder of the city was to increase slightly by 1.8%. The state's number of households was projected to increase 5.9% during this same 12-year period.
- In 2007 481 households resided within the DSA, representing only 2.0% of the city's total households.
- In 2007 the typical DSA household profile was a single adult (72.5%) with no children (58.5%) earning \$17,131 a year (median income) and renting their residence (81.1%). This profile is different from the remainder of the city and the state. Percentages of DSA households with children (33.9%) and married adults (19.9%) were well below the remainder of the city (46.1% and 31.5%) and the state (39.5% and 52.2%).
- In 2007 the average household size within the DSA (2.4 people) was similar to the remainder of the city (2.6) and the state (2.5).
- In 2007 the percent of renter households within the DSA (81.1%) was much higher than the remainder of the city (46.9%) and the state (25.5%).
- In 2007 the median income within the DSA (\$17,131) was well below the remainder of the city (\$34,697) and the state (\$50,319).
- *Claritas, Inc. Prizm NE Lifestage* data for 2007 (estimated) was used to determine DSA resident profiles. Residents were classified in three main Lifestage classes: Younger Years, Family Life, and Mature Years. The largest Lifestage class within the DSA was *Mature Years* at 46.9% of all households, while the two largest Lifestage groups were *Sustaining Seniors* (43.1%) and *Striving Singles* (21.8%). The largest Lifestage class in the remainder of the city was *Family Life* at 34.5% of all households, while the two largest Lifestage groups were *Striving Singles* (17.3%) and *Sustaining Families* (16.2%). The largest Lifestage class in the state was *Mature Years* at 36.7% of all households, while the two largest Lifestage groups were *Midlife Success* (15.4%) and *Mainstream Families* (14.7%). The DSA Lifestage class and group percentages are different from the remainder of the city and the state as a whole. This indicates that household composition within the DSA is different from the remainder of the city and the state. DSA households are older, mostly childless, lower income, and mostly renters.

Housing Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF PONTIAC	STATE OF MICHIGAN
HOUSING UNITS 2000			
PERCENT OCCUPIED	91.1%	92.0%	89.4%
PERCENT VACANT	8.9%	8.0%	10.6%
TOTAL	537	25,799	4,234,279
HOUSING UNITS 2007			
PERCENT OCCUPIED	88.6%	89.7%	87.8%
PERCENT VACANT	11.4%	10.3%	12.2%
TOTAL	543	26,925	4,482,194
HOUSING UNITS 2012			
PERCENT OCCUPIED	86.4%	87.5%	86.2%
PERCENT VACANT	13.6%	12.5%	13.8%
TOTAL	557	27,784	4,652,213
HOUSING PAYMENTS GREATER THAN 30% OF INCOME BY TENURE 2000			
PERCENT OWNER-OCCUPIED UNITS	49.3%	27.2%	17.8%
PERCENT RENTER-OCCUPIED UNITS	46.8%	45.3%	37.6%
AVERAGE MONTHLY OWNER HOUSING PAYMENT 2000	\$506	\$684	\$1,037
AVERAGE MONTHLY RENTER HOUSING PAYMENT 2000	\$405	\$542	\$578
AVERAGE NUMBER OF ROOMS PER OCCUPIED HOUSING UNIT 2000	4	4.9	5.7
AVERAGE NUMBER OF BEDROOMS PER OCCUPIED HOUSING UNIT 2000	2.1	2.2	2.3
YEAR BUILT; OWNER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	0.0%	6.9%	16.0%
PERCENT 1980 TO 1989	0.0%	2.4%	9.7%
PERCENT 1979 OR EARLIER	100.0%	90.8%	74.3%
YEAR BUILT; RENTER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	3.6%	7.6%	10.2%
PERCENT 1980 TO 1989	27.3%	8.6%	13.0%
PERCENT 1979 OR EARLIER	69.1%	83.8%	76.8%
HOUSING UNITS BY STRUCTURE TYPE 2000			
PERCENT SINGLE FAMILY	31.8%	67.5%	74.5%
PERCENT 2 TO 19 UNITS IN A BUILDING	33.9%	21.3%	13.7%
PERCENT 20 TO 49 UNITS IN A BUILDING	5.8%	2.8%	2.2%
PERCENT 50 OR MORE UNITS IN A BUILDING	28.5%	6.2%	3.0%
PERCENT OTHER	0.0%	2.1%	6.7%
MEDIAN HOME VALUE 2000	\$52,822	\$73,073	\$110,857
MEDIAN HOME VALUE 2007	\$71,071	\$96,070	\$145,613
MEDIAN HOME VALUE 2012	\$78,000	\$106,598	\$158,803
AVERAGE RESIDENCY LENGTH; OWNER-OCCUPIED UNITS	6.0	10.0	11.0
ANNUAL TURNOVER; OWNER-OCCUPIED UNITS (2000)	15.7%	9.1%	7.7%
ANNUAL TURNOVER; RENTER-OCCUPIED UNITS (2000)	28.0%	31.0%	31.6%

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Pontiac DSA include the following:

- The total number of housing units in the DSA was projected to increase at a lower rate than the remainder of the city and the state from 2000 to 2012 (3.7% versus 7.7% and 9.9%).
- While the total number of housing units in the DSA was projected to increase from 2000 to 2012, the vacancy rate was projected to increase as well from 8.9% to 13.6%, a 52.8% increase. This increasing vacancy rate was projected to hold true for the remainder of the city and the state, however, at differing rates.
- In 2007 there were 543 housing units within the DSA, representing only 2.0% of the city's total housing units. Of the DSA housing units, 11.4% were estimated to be vacant.
- In 2000 46.8% of the renter-occupied units within the DSA paid more than 30% of their gross income for housing. This is a similar percentage to the remainder of the city (45.3%), but a higher one than the state (37.6%).
- In 2000 owner-occupied units within the DSA paid an average of \$506 per month for housing, which was less than the remainder of the city (\$684) and much less than the state (\$1,037). Renter-occupied units within the DSA paid an average of \$405 per month for housing, which was less than the remainder of the city (\$542) and the state (\$578).
- In 2000 the average number of total rooms (4.0) and bedrooms (2.1) per DSA housing unit were less than the remainder of the city (4.9 and 2.2) and the state (5.7 and 2.3). This indicates that housing units within the DSA were smaller than those found in the rest of the city and the state.
- In 2000 68.2% of all housing units within the DSA were in multi-unit buildings. This percentage is much higher than the remainder of the city (30.3%) and the state (18.9%). Single-unit/single-family structures represent 31.8% of all housing units in the DSA. This contributes to the DSA's lower population density.
- Although the median home value within the DSA was projected to increase at a slightly higher rate than the remainder of the city and the state from 2000 to 2012 (47.7% versus 45.9% and 43.3%), the actual values were projected to be much lower than the remainder of the city and lower than the state.

- The average residency length of owner-occupied units within the DSA (six years) is much shorter than the remainder of the city (10 years) and the state (11 years). The annual turnover rate within the DSA for renter-occupied units was lower than the remainder of the city and the state, while owner-occupied units had a higher rate.

Crime & Transportation

	DOWNTOWN STUDY AREA	REMAINDER OF PONTIAC	STATE OF MICHIGAN
CRIME INDEX 2007*			
<i>PERSONAL CRIME</i>	234	168	94
<i>PROPERTY CRIME</i>	478	308	115
WORKER COMMUTE BY MODE (AGE 16+) 2007			
PERCENT DRIVE ALONE	58.3%	77.5%	83.5%
PERCENT CARPOOL	27.5%	17.1%	9.6%
PERCENT PUBLIC TRANSIT	1.3%	1.1%	1.2%
PERCENT WALK	6.1%	2.1%	2.2%
PERCENT MOTORCYCLE / BICYCLE	0.0%	0.2%	0.2%
PERCENT OTHER MEANS	3.9%	0.9%	0.5%
PERCENT WORK AT HOME	2.9%	1.1%	2.9%
TOTAL WORKERS	310	25,830	4,777,007
AVERAGE WORKER COMMUTE TIME IN MINUTES (AGE 16+) 2007	24.0	24.0	26.2
AVERAGE NUMBER OF VEHICLES PER HOUSEHOLD BY TENURE 2007			
OWNER HOUSEHOLDS	1.0	1.4	1.8
RENTER HOUSEHOLDS	1.7	1.7	2.0
ALL HOUSEHOLDS	0.7	1.1	1.2

Source: 2000 Census; Claritas, Inc.; Applied Geographic Solutions; VWB Research

*Based on a par value of 100

Noteworthy observations and trends for the Pontiac DSA include the following:

- In 2007 personal and property crime indices within the DSA were much higher than the remainder of the city and significantly higher than state and national averages. Property crime indices within the DSA were twice as high as the personal crime indices.
- In 2007 the adult workers within the DSA used a car less often to commute than did the adult workers in the remainder of the city and the state (85.8% versus 94.6% and 93.1%); 6.1% walked to work, and 1.3% used public transit.
- In 2007 adult workers within the DSA had similar commute times (24.0 minutes) to those in the remainder of the city (24.0) and the state (26.2).

- In 2007 households within the DSA had fewer vehicles (0.7) than those in the remainder of the city (1.1) and the state (1.2).

Economic & Employment Indicators

	DOWNTOWN STUDY AREA	REMAINDER OF PONTIAC	STATE OF MICHIGAN
EMPLOYMENT SHARE BY INDUSTRY 2007			
AGRICULTURE & NATURAL RESOURCES	0.1%	2.4%	1.1%
MINING	0.0%	0.0%	0.1%
CONSTRUCTION	2.5%	3.4%	4.3%
MANUFACTURING	19.7%	30.4%	14.7%
TRANSPORTATION & UTILITIES	3.5%	5.0%	4.1%
WHOLESALE TRADE	1.0%	2.2%	4.3%
RETAIL TRADE	5.5%	8.7%	19.4%
F.I.R.E.	3.1%	1.7%	5.9%
SERVICES	53.9%	32.2%	39.9%
GOVERNMENT	9.4%	12.8%	5.0%
NON-CLASSIFIABLE	1.5%	1.2%	1.1%
TOTAL EMPLOYEES	4,833	45,182	5,680,903
ANNUAL UNEMPLOYMENT RATE			
2000	NA	8.0%	3.7%
2001	NA	11.9%	5.2%
2002	NA	14.0%	6.2%
2003	NA	14.8%	7.1%
2004	NA	15.0%	7.0%
2005	NA	15.1%	6.8%
2006	NA	15.3%	6.9%
2007	NA	16.1%	7.2%
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME 2007	\$15,850	\$30,408	\$41,752
ECONOMIC DENSITIES 2007			
TOTAL BUSINESSES PER SQUARE MILE	482.1	102.1	7.1
RETAIL BUSINESSES PER SQUARE MILE	80.4	20.0	1.4
EMPLOYEES PER SQUARE MILE	10,787.9	2,311.8	100.0
RESIDENTIAL MULTI-UNIT BUILDING PERMITS BY DECADE (5+ UNITS PER BUILDING)			
2000 TO 2006 (UNITS)	NA	5	46,563
1990 TO 1999 (UNITS)	NA	481	65,592
1980 TO 1989 (UNITS)	NA	753	106,921

Source: Claritas, Inc.; Department of Labor, Bureau of Labor Statistics; socds.huduser.org – Building Permit Database

Table continued

TOP 10 EMPLOYERS WITHIN ONE MILE OF DOWNTOWN STUDY AREA	NUMBER OF EMPLOYEES	TYPE OF BUSINESS
1. GENERAL MOTORS	1,800	TRUCK MAKER
2. NORTH OAKLAND MEDICAL CENTER	1,500	HOSPITAL
3. POH MEDICAL CENTER	1,250	HOSPITAL
4. CITY OF PONTIAC-ADMINISTRATION	600	CITY GOVERNMENT
5. OAKLAND LIVINGSTON HUMAN SERVICES	400	SOCIAL SERVICES
6. OAKLAND PRESS	339	NEWSPAPER PUBLISHER
7. CITY OF PONTIAC-ACCOUNTING DEPARTMENT	200	CITY GOVERNMENT
8. 21 ST CENTURY NEWSPAPERS	200	MARKETING CONSULTANT
9. POH MEDICAL CENTER	195	DOCTORS' OFFICES
10. CITY OF PONTIAC-POLICE	166	LAW ENFORCEMENT

Source: 2007 InfoUSA Business Database

Noteworthy observations and trends for the Pontiac DSA include the following:

- In 2007 4,833 people worked within the DSA, representing 9.7% of all workers within the city.
- In 2007 the industry with the most employees within the DSA was Services at 53.9%.
- In 2007 white-collar employment within the DSA (36.9%) was lower than the remainder of the city (43.9%) and the state (56.9%).
- From 2000 to 2007, the unemployment rate for Pontiac has been much higher than the state rate, while increasing from 8.4% to 16.1%. In 2007 the unemployment rate for Pontiac was 16.1%, compared to the state's 7.2%
- In 2007 the median household effective buying income within the DSA (\$15,850) was well below the remainder of the city (\$30,408) and the state (\$41,752).
- On a citywide basis, the number of residential permits issued for units in buildings with five or more dwellings decreased over the last three decades. Permits for multi-unit buildings (5 or more units) issued during the 1990s decreased 36.1% from those issued during the 1980s. The same type permits issued during the 2000s (adjusted for a full decade) decreased 98.5% from those issued during the 1990s. Since 2000, an average of one multi-unit building permits per year was issued citywide; down from 75 per year during the 1980s.

- Within 1.0 mile of the DSA, the largest employer is General Motors with 1,800 employees. The 10 largest employers within 1.0 mile of the DSA employ a total of 6,650 people. Within the DSA, 4,833 people are employed, yielding an “Employment per DSA Resident” ratio of 4.2 to one (based on 2007 estimates).

Demographic Summary

Resident households within the Pontiac DSA typically are childless, unmarried adults (34 year median age) who either live alone or with a roommate/partner, are only high school educated, earn an average of \$17,000 per year, and rent their residence. The largest Lifestage Group is *Sustaining Seniors*. There are slightly more males than females. After declining in the 1990s, the DSA population is projected to decrease further from 2000 to 2012 with households declining slightly as well. Only 1.8% of the city’s population is projected to live within the DSA in 2007. Population density and daytime population are well below average for DSAs in this study.

The number of total housing units within the DSA is projected to increase from 2000 to 2012, however, so is the vacancy rate. Only 2.0% of the city’s total housing units are projected to be within the DSA in 2007. There are many more renters than owners, and many of those renting pay over 30% of their income for housing. Housing units are denser (more units per building) and slightly smaller within the DSA than the remainder of the city. The typical housing unit within the DSA has two bedrooms and is in a multi-unit building. DSA owners pay much less per month for housing than the state average, while renters also pay less than the state average. Owner-occupied units are older than renter-occupied units. While median home values are increasing, they are lower than the remainder of the city and the state. Residency length is shorter within the DSA. The annual turnover rate for renters is slightly lower than the remainder of the city and the state, while owners have a higher turnover rate.

Crime indices within the DSA are much higher than the rest of the city and significantly higher than the state. Transportation data indicates DSA residents/households drive less often to work and own fewer vehicles than their counterparts outside the DSA. DSA workers have similar commute times to the rest of the city and the state.

General Motors and North Oakland Medical Center most heavily influence employment in and near the DSA. Only three of the largest 10 employers within 1.0 mile of the DSA are private for-profit businesses. Most employment is white-collar (36.9%) with 71.9% of jobs falling within Service, Retail, Government, and Finance/Insurance/Real Estate industries.

Unemployment citywide has increased each year since 2000, and remains well above the state rate. Building permits for residential dwellings in multi-unit buildings have decreased citywide over the past 27 years, indicating a long-term softening of the multi-unit housing market. Economic densities for the DSA are higher than the remainder of the city, but well below average for DSAs in this study.

3. MULTI-UNIT HOUSING SUPPLY ANALYSIS

Demographic Housing Supply Overview

According to the U.S. Census, the distribution of housing stock by tenure and occupancy within the Pontiac DSA for 2000, 2007 (estimated), and 2012 (projected) is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 (ESTIMATED)		2012 (PROJECTED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	489	91.1%	481	88.6%	481	86.4%
OWNER-OCCUPIED	97	19.8%	91	18.9%	88	18.3%
RENTER-OCCUPIED	392	80.2%	390	81.1%	393	81.7%
VACANT	48	8.9%	62	11.4%	76	13.6%
TOTAL	537	100.0%	543	100.0%	557	100.0%

Source: 2000 Census; Claritas, Inc.; VWB Research

For all three years (2000, 2007, and 2012), renter-occupied housing units outnumber owner-occupied housing units by more than four to one.

Demographic housing trends indicate the total number of housing units within the DSA was projected to increase by 20, or 3.7%, from 2000 to 2012, while the vacancy rate for all housing units was projected to increase from 8.9% to 13.6% during the same 12-year period.

The following table shows the distribution of occupied housing units in the DSA by structure type (type = units per building) in 2000:

HOUSING UNITS BY STRUCTURE TYPE (2000 CENSUS)	NUMBER OF UNITS	PERCENT
SINGLE-UNIT	171	31.8%
LOW-DENSITY MULTI-UNIT (2 TO 19 UNITS PER BUILDING)	182	33.9%
MEDIUM-DENSITY MULTI-UNIT (20 TO 49 UNITS PER BUILDING)	31	5.8%
HIGH-DENSITY MULTI-UNIT (50+ UNITS PER BUILDING)	153	28.5%
OTHER (TRAILER/BOAT/RV/VAN/ETC.)	0	0.0%
TOTAL	537	100.0%

Source: U.S. Census Bureau; 2000 Census

The above table shows that most of the occupied housing units within the DSA were located in Low-Density Multi-Unit buildings (33.9%). Of all the occupied housing units within the DSA, 68.2% were located in Multi-Unit buildings, while 31.8% were located in Single-Unit (one-family) buildings.

The following table presents selected housing characteristics by owner- and renter-occupied housing units for the DSA in 2000:

HOUSING CHARACTERISTIC IN YEAR 2000	OWNER-OCCUPIED HOUSING UNITS	RENTER-OCCUPIED HOUSING UNITS
AVERAGE MONTHLY HOUSING PAYMENT	\$506	\$405
PERCENT WITH HOUSING PAYMENT GREATER THAN 30% OF INCOME	49.3%	46.8%
AVERAGE HOUSEHOLD SIZE	4.2	2.1
PERCENT MOVED-IN BETWEEN 1995 & 2000	64.9%	65.6%
ANNUAL TURNOVER RATE	15.7%	28.0%
AVERAGE NUMBER OF TOTAL ROOMS	6.1	3.5
AVERAGE NUMBER OF BEDROOMS	2.8	1.3
PERCENT BUILT BETWEEN 1990 & 2000	0.0%	3.6%
MEDIAN YEAR BUILT	<1939	1965

Source: U.S. Census Bureau; 2000 Census

Noteworthy observations from the above table about the DSA include:

- Forty-six percent of renter households and 49% of owner households paid more than 30% of their income for housing.
- Owner households were larger in size than renter households.
- Between 1995 and 2000, 65% of renter households and 65% of owner households moved into the DSA.
- The annual turnover rate for renters was higher than owners.
- Owner-occupied units were much larger than renter-occupied units.
- Few renter and no owner units were built during the 1990s.

Multi-Unit Rental Housing Supply Survey

We identified and surveyed four multi-unit rental housing properties totaling 52 units within the Pontiac DSA that met the study's selection criteria (refer to Pontiac DSA Map using property Map I.D. numbers below). All four properties are market-rate. A summary of the surveyed properties by type, unit count, and vacancy rate appears in the following table:

PROPERTY TYPE	PROPERTIES SURVEYED	TOTAL UNITS	VACANT UNITS	VACANCY RATE*
MARKET-RATE	4	52	6	11.5%
TOTAL	4	52	6	11.5%

*As of July 2007

The Pontiac DSA multi-unit rental market is not performing well with an overall multi-unit rental vacancy rate of 11.5%. The study's aggregate vacancy rate for all surveyed multi-unit rental housing properties in this study is 8.9%; indicating the Pontiac DSA has a higher vacancy rate than the study's aggregate average.

The following table summarizes key information for each multi-unit rental housing property surveyed in the DSA:

MAP I.D.	PROPERTY NAME	TYPE	YEAR BUILT/ RENOVATED	UNITS	BUILDING STORIES	VACANCY RATE**	QUALITY RATING	NET RENT* RANGE
1	PIKE STREET APTS.	MRR	1928 / 1976	20	3	15.0%	B	\$480 - \$560
2	30 NORTH LOFTS	MRR	1964 / 2001	24	8	12.5%	B	\$755 - \$1,921
3	LAWRENCE ST. APTS.	MRR	1934	4	2	0.0%	C+	\$620
4	PERRY STREET APTS.	MRR	1918 / 2005	4	2	0.0%	B+	\$826 - \$1,335

*Net rent excludes all utilities except water, sewer, and trash removal.

**As of July 2007

From the above table, 48 units, or 92.3%, are in three older buildings that were renovated between 1976 and 2005, while the remaining four units, or 7.7%, are in an older building that has not received a major renovation. The largest of the surveyed properties is 30 North Lofts with 24 total units, while the two smallest are Lawrence Street Apartments and Perry Street Apartments, both with four total units. The average sized multi-unit rental property within the DSA is 13 units.

Each surveyed rental property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. Surveyed properties had quality ratings from B to C+, net monthly rents from \$480 to \$1,921, vacancy rates from 0.0% to 15.0%, and number of stories from two to eight. The two older properties are receiving much lower rents than the two newer properties.

The following table summarizes the breakdown of unit information by property type within the DSA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
STUDIO	1.0	12	23.1%	0	0.0%	\$755
ONE-BEDROOM	1.0	25	48.1%	5	20.0%	\$825
TWO-BEDROOM	1.0	5	9.6%	1	20.0%	\$560
TWO-BEDROOM	2.0	10	19.2%	0	0.0%	\$1,921
TOTAL MARKET-RATE		52	100.0%	6	11.5%	-

*As of July 2007

Of the 52 units that were surveyed, all were market-rate, and six were vacant (11.5%). The most common unit type for all property types was a one-bedroom/one-bath floor plan (48.1%), while the least common unit type was a two-bedroom/one-bath floor plan (9.6%). The highest vacancy rates were in the one-bedroom/one-bath and two-bedroom/one-bath market-rate units (20.0% each). Median net monthly rent values ranged from a low of \$560 for a two-bedroom/one-bath market-rate unit to a high of \$1,921 for a two-bedroom/two-bath market-rate unit.

The following table summarizes the average net monthly rent per square foot by bedroom type and unit design for the multi-unit rental properties surveyed within the DSA (note: garden units have all living areas on one floor, regardless of the number of stories in the building, while townhouse units have living areas on multiple floors):

BEDROOM TYPE	AVERAGE NET RENT PER SQUARE FOOT			
	MARKET-RATE		TAX CREDIT	
	GARDEN	TOWNHOUSE	GARDEN	TOWNHOUSE
STUDIO	\$1.22	-	-	-
ONE-BEDROOM	\$1.18	-	-	-
TWO-BEDROOM	\$1.36	-	-	-

All surveyed rental units are garden-style plans with 46.2% served by elevators. The average net monthly rents per square foot range from a low of \$1.18 for a one-bedroom market-rate unit to a high of \$1.36 for a two-bedroom market-rate unit. All units are garden-style. Compared to aggregate averages in this study, the Pontiac DSA's average net monthly rents per square foot are higher.

The following table summarizes property counts, unit counts, vacancy rates, and median net monthly rents by quality rating and property type:

MARKET-RATE PROPERTIES				MEDIAN NET RENT		
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.
B+	1	4	0.0%	-	\$826	\$1,335
B	2	44	13.6%	\$755	\$530	\$560
C+	1	4	0.0%	\$620	-	-

*As of July 2007

A modest correlation exists between the quality of surveyed properties and their median net rents. It appears that the higher the quality rating, the higher the net rents. No clear correlation appears to exist between vacancy rates and quality ratings. Of note, the two smaller properties appear to have better vacancy rates than the large one.

The following appliances were included in the surveyed rental units (frequency indicated by percentage of units):

- Range (100.0%)
- Refrigerator (100.0%)
- Icemaker (7.7%)
- Dishwasher (53.9%)
- Disposal (53.9%)
- Microwave (53.9%)

The following amenities were included in the surveyed rental units (frequency indicated by percentage of units):

- Air conditioning (central 53.9% / window 7.7%)
- Floor covering (100.0%)
- Ceiling fan (92.3%)
- Intercom system (46.2%)
- Window treatment (100.0%)

The following common amenities were included in the surveyed rental properties for use by residents (frequency indicated by percentage of units):

- On-site management (46.2%)
- Laundry facilities (84.6%)
- Jacuzzi/sauna (46.2%)
- Elevator (46.2%)

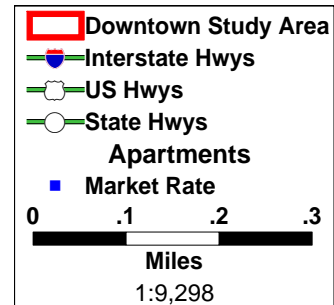
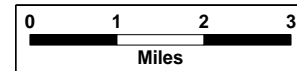
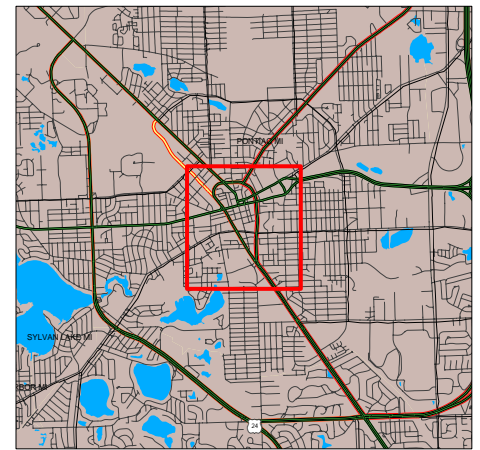
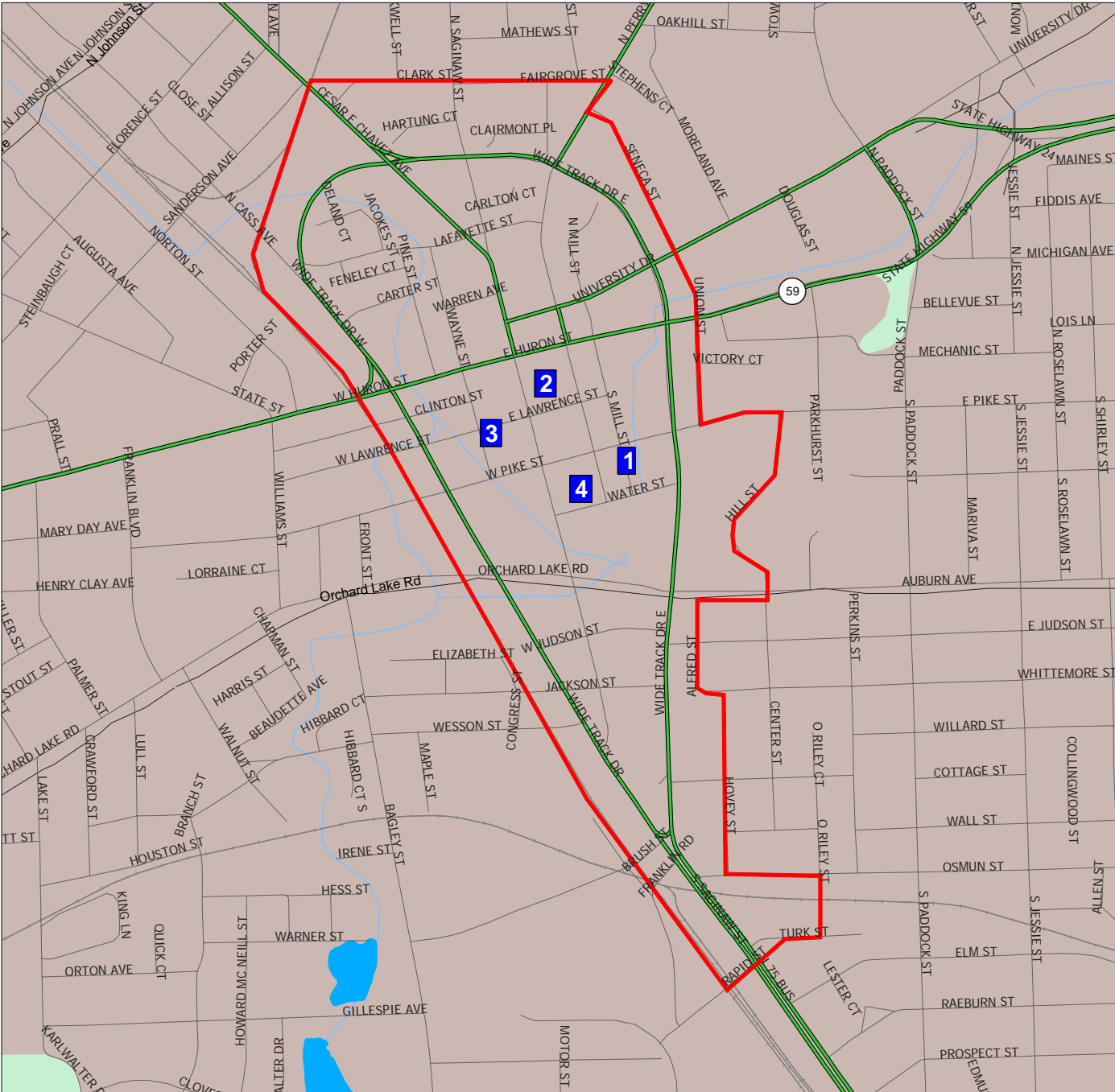
The following utility mix and payment responsibility were used in the surveyed rental properties (frequency indicated by percentages of units):

- Space heating (gas 100.0%; landlord 53.8% / tenant 46.2%)
- Cooking (electric 100.0% / landlord 46.2% / tenant 53.8%)
- Water heating (gas 100.0%; landlord 53.8% / tenant 46.2%)
- Other electric (tenant 100.0%; landlord 46.2% / tenant 53.8%)
- Water-sewer-trash (landlord 92.3% / tenant 7.7%)





An abbreviated field survey of all multi-unit rental properties in the Pontiac DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type, year built and renovated (if applicable), number of floors, total units, occupancy rate, quality rating, and presence of an elevator.
- Rent and unit information by property and number of bedrooms.

Pontiac, MI: DSA Boundary with Surveyed Properties



SURVEY OF RENTAL PROPERTIES - PONTIAC, MI

1 Pike Street Apts.	
	Address 12 Mill St. Pontiac, Mi 48342 Year Built 1928 Renovated 1976 Project Type Market-rate Comments Unit mix, vacancies, renovated date estimated; 5 units (estimated) under construction, renovation; Formerly Waldron Hotel; First-floor commercial; No elevator
	Contact Shelly Phone (248) 322-6777 (Contact in person) Total Units 20 Vacancies 3 Occupied 85.0% Floors 3 Quality Rating B Waiting List None
2 30 North Lofts	
	Address 30 N. Saginaw St. Pontiac, MI 48342 Year Built 1964 Renovated 2001 Project Type Market-rate Comments Formerly Central National Bank; Year built/renovated, unit mix & square footage estimated; Mixed-use, office space & banquet facility; Elevator
	Contact No name given Phone (248) 335-6803 (Contact by phone) Total Units 24 Vacancies 3 Occupied 87.5% Floors 8 Quality Rating B Waiting List None
3 Lawrence St. Apts.	
	Address 17 W. Lawrence St. Pontiac, Mi 48342 Year Built 1934 Project Type Market-rate Comments Year built estimated; No elevator
	Contact Mike Phone (248) 546-4300 (Contact by phone) Total Units 4 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List None
4 Perry Street Apts.	
	Address 17 S. Perry St. Pontiac, MI 48342 Year Built 1918 Renovated 2005 Project Type Market-rate Comments Tenants are 20 to 30 years of age; Tenants reside here to be near work and in an urban environment; First-floor commercial; No elevator
	Contact Jennifer Phone (248) 334-4600 (Contact by phone) Total Units 4 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List None

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

VWB
 vogtwilliamsbowen
 RESEARCH

PRICE PER SQUARE FOOT - PONTIAC, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	30 North Lofts	1	425	\$755	\$1.78
3	Lawrence St. Apts.	1	1000	\$620	\$0.62
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Pike Street Apts.	1	525 to 575	\$480 to \$530	\$0.91 to \$0.92
2	30 North Lofts	1	650	\$937	\$1.44
4	Perry Street Apts.	1	625	\$826	\$1.32
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Pike Street Apts.	1 to 2	650	\$560	\$0.86
2	30 North Lofts	2	975	\$1921	\$1.97
4	Perry Street Apts.	1	800	\$1335	\$1.67

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

VWMB
vogtwilliamsbowen
RESEARCH

MARKET RATE UNITS - PONTIAC, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
3	Lawrence St. Apts.	4	1000	1	\$650
2	30 North Lofts	8	425	1	\$800
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Pike Street Apts.	12	525 - 575	1	\$480 - \$530
4	Perry Street Apts.	3	625	1	\$800
2	30 North Lofts	10	650	1	\$1000
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Pike Street Apts.	8	650	1 - 2	\$560
4	Perry Street Apts.	1	800	1	\$1300
2	30 North Lofts	6	975	2	\$2000

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

Multi-Unit Condominium Housing Supply Survey

We did not identify any multi-unit condominium housing properties within the Pontiac DSA that met the selection criteria for this study.

Planned Multi-Unit Developments

According to city building and planning officials, there was one multi-unit housing property pending city approvals that had not started construction by July 2007 (study cut-off date) within the Pontiac DSA. The following table provides summary information on this planned property:

PROPERTY NAME & LOCATION	DEVELOPER	PROPERTY TYPE	TOTAL UNITS	PROPERTY DETAILS	PROJECTED OPENING
UNNAMED APTS. N. WOODWARD EDGE	MARK NIKITA & LEON JUKOWSKI	MRR APTS.	34	30 1-BR'S & 4 2-BR'S	UNKNOWN
TOTAL		1	34		

There is one new multi-unit rental housing property totaling 34 units and no new multi-unit condominium housing properties planned for the Pontiac DSA.

Summary

From our research and field survey, the following table summarizes the multi-unit housing supply within the Pontiac DSA that met the study's selection criteria:

PROPERTY TYPE	PROPERTIES				UNITS			
	PLANNED	BEING BUILT	BUILT	TOTAL	PLANNED	BEING BUILT	BUILT	TOTAL
RENTAL	1	0	4	5	34	0	52	86
CONDOMINIUM	0	0	0	0	0	0	0	0
TOTAL	1	0	4	5	34	0	52	86

Combined, there are a total of five multi-unit housing properties planned, being built, or built in the Pontiac DSA representing 86 total units. Of these 86 units, 34 (65.4%) are planned, none are being built, and 52 (34.6%) are built.